

ModernGraham Valuation

Company Name:

Company Ticker SAM

Date of Analysis

12/4/2016

Boston Beer
Company Inc



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$2,201,305,976 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.92 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	373.00% Pass
5. Earnings Growth		
6. Moderate PEmg Ratio	PEmg < 20	27.35 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.86 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.92 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00 Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$6.32
MG Growth Estimate	10.12%
MG Value	\$181.77
MG Value based on 3% Growth	\$91.71
MG Value based on 0% Growth	\$53.76
Market Implied Growth Rate	9.43%

MG Opinion

Current Price	\$173.00
% of Intrinsic Value	95.17%
Opinion	Fairly Valued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$2.16
Graham Number	\$70.97
PEmg	27.35
Current Ratio	1.92
PB Ratio	4.86
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

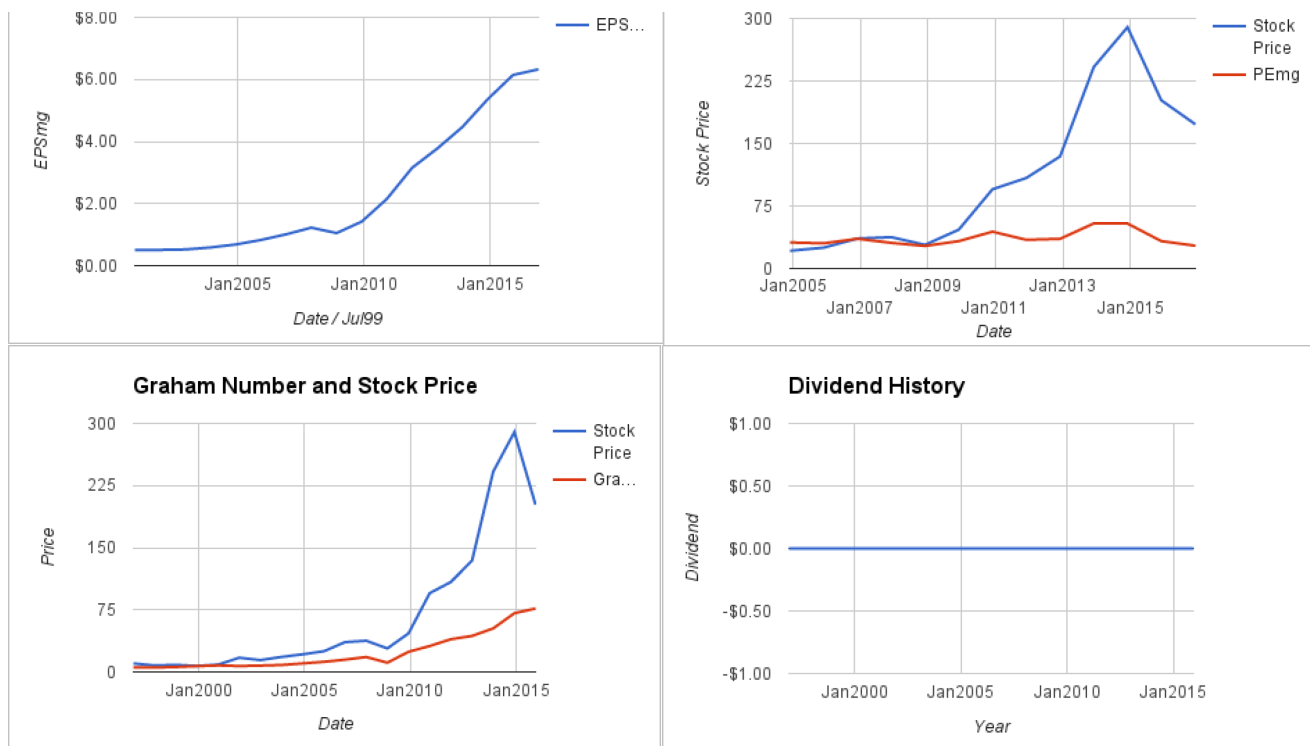
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$6.21		\$6.32
Dec2015	\$7.25	Dec2015	\$6.14
Dec2014	\$6.69	Dec2014	\$5.37
Dec2013	\$5.18	Dec2013	\$4.47
Dec2012	\$4.39	Dec2012	\$3.78
Dec2011	\$4.81	Dec2011	\$3.15
Dec2010	\$3.52	Dec2010	\$2.15
Dec2009	\$2.17	Dec2009	\$1.42
Dec2008	\$0.56	Dec2008	\$1.05
Dec2007	\$1.53	Dec2007	\$1.22
Dec2006	\$1.27	Dec2006	\$1.01
Dec2005	\$1.07	Dec2005	\$0.83
Dec2004	\$0.86	Dec2004	\$0.68
Dec2003	\$0.70	Dec2003	\$0.58
Dec2002	\$0.52	Dec2002	\$0.52
Dec2001	\$0.47	Dec2001	\$0.51
Dec2000	\$0.62	Dec2000	\$0.51
Dec1999	\$0.54	Balance Sheet Information 9/16/2016	
Dec1998	\$0.39	Total Current Assets	\$204,551,000
Dec1997	\$0.37	Total Current Liabilities	\$106,289,000
Dec1996	\$0.41	Long-Term Debt	\$0
		Total Assets	\$627,495,000
		Intangible Assets	\$3,683,000
		Total Liabilities	\$177,252,000
		Shares Outstanding (Diluted Average)	12,641,000



EPSmg

Price and PEmg



Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other
ModernGraham
posts about the
company

#N/A

Other
ModernGraham
posts about related
companies

[Reynolds American Inc Valuation – July 2016 \\$RAI](#)
[Philip Morris International Inc Valuation – June 2016 \\$PM](#)
[Altria Group Inc Valuation – June 2016 \\$MO](#)
[Constellation Brands Inc Valuation – January 2016 Update \\$STZ](#)
[Molson Coors Brewing Co. Valuation – November 2015 Update \\$TAP](#)
[Brown-Forman Corporation Analysis – September 2015 Update \\$BF.B](#)
[Brown-Forman Corporation Analysis – June 2015 Update \\$BF.B](#)
[Philip Morris International Annual Valuation – 2015 \\$PM](#)
[Brown-Forman Corporation Quarterly Valuation – March 2015 \\$BF.B](#)
[Lorillard Inc. Quarterly Valuation – March 2015 \\$LO](#)